VZCZCXRO3309 PP RUEHDE DE RUEHLO #4465/01 3381630 ZNY CCCCC ZZH P 041630Z DEC 07 FM AMEMBASSY LONDON TO RUEHC/SECSTATE WASHDC PRIORITY 6541 INFO RUEHAK/AMEMBASSY ANKARA 0754 RUEHAH/AMEMBASSY ASHGABAT 0158 RUEHGB/AMEMBASSY BAGHDAD 0514 RUEHKB/AMEMBASSY BAKU 0188 RUEHBJ/AMEMBASSY BEIJING 0977 RUEHRL/AMEMBASSY BERLIN 2584 RUEHSW/AMEMBASSY BERN 0490 RUEHMO/AMEMBASSY MOSCOW 2488 RUEHFR/AMEMBASSY PARIS 3080 RUEHRO/AMEMBASSY ROME 3571 RUEHUL/AMEMBASSY SEOUL 0523 RUEHTV/AMEMBASSY TEL AVIV 0488 RUEHKO/AMEMBASSY TOKYO 1093 RUEHDE/AMCONSUL DUBAI 0218 RUEHIT/AMCONSUL ISTANBUL 0157

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 004465

STPDTS

SIPDIS

E.O. 12958: DECL: 12/04/2017

TAGS: PREL PTER IR UK

SUBJECT: IRAN: UK GOVERNMENT APPEALS MEK DE-LISTING ORDER

Classified By: PolMinCouns Maura Connelly; reason 1.4 (b, d)

11. (C) Summary: The FCO told Embassy London Iran Watcher (Poloff) that the Mujaheddin-e-Khalk (MEK) will continue to be listed as a terrorist organization under UK law, and its UK accounts frozen, until the outcome of HMG,s appeal of the administrative order issued by the UK's Prohibited Organisations Commission (POAC). HMG will know by the end of December whether POAC or the courts will hear its appeal of the POAC order. End Summary.

MEK Buoyant

12. (U) According to UK and international press, Mujaheddin-e-Khalk (MEK) leaders in London and Iraq have hailed an order issued on or about November 26 by an administrative tribunal, the UK,s Prohibited Organisations Commission (POAC) to HMG, to de-list the MEK as a designated terrorist organization under UK law. The suit had been brought by several of the MEK,s fervent sympathizers in Parliament seeking POAC's review of the MEK listing.

HMG: Leopard Has Not Changed Spots

13. (C) FCO's Iran Coordination Group officials, however, separately told London Iran Watcher November 30, and also told Iranian nuclear negotiator Saeed Jalili when he was in London the same day, that HMG is fighting the administrative order through further administrative and judicial appeals and, in the interim, will not de-list the MEK or unfreeze its assets. FCO Iran Bilateral Team's Helen Teasdale said HMG is challenging as a matter of law the POAC,s core finding and rationale: that the MEK had, by its reorganization and its

rationale: that the MEK had, by its reorganization and forbearance from deadly attacks since 2001, transformed itself into a non-terrorist organization.

POAC or Courts May Hear HMG Appeal

14. (C) Procedurally, Teasdale explained HMG is filing with POAC an immediate request for Leave to Appeal, which will have 14 days to decide. If POAC grants leave to appeal, the body will then have an unlimited period of time in which to

decide the merits of the HMG appeal. If POAC refuses to grant leave to appeal, HMG will file a judicial appeal before the Court of Appeals, which will also have 14 days to decide whether to consider the matter; if the filing is allowed, the court will likewise have an unlimited amount of time in which to hear argument, and issue an opinion. Teasdale said the question whether an appeal will be granted will be known by the end of December. Teasdale would not make a prediction on the likelihood of a successful appeal in either venue, and said the FCO had not been surprised by the POAC decision. Teasdale noted that, as the case and briefs before POAC had developed over the past year, initial FCO confidence of an outcome supporting a continuing terrorist designation had evolved from very high to "no more than 50/50" before the POAC order was issued, due to the traction MEK arguments had gained with the POAC.

Policy Concerns

15. (C) HMG,s Iran-specific policy concern, in addition to its general one on how the order weakens UK counter-terrorism efforts, is that any Iranian perception of Western support for MEK could endanger resolution of the nuclear issue. The MEK is widely loathed by both the Iranian public for its collaboration with Saddam during the Iran-Iraq War (some observers argue Tehran,s sponsorship of SCIRI was in part a response to Saddam,s support for MEK); MEK is also apparently feared by the Iranian regime as a fifth column inside Iran.

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